GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:2117
ANSWERED ON:29.07.2002
MISUTILIZATION OF FUNDS UNDER PMRY
PRAKASH V. PATIL

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government are aware that under PMRY many projectscreated with the Central assistance, either ceased to exist or were not set up leading to misutilisation of funds;

(b) if so, the details thereof and the reasons therefore, State- wise; and

(c) the action proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a) & (b): According to the Evaluation Study (Second Round) of the Prime Minister`s Rozgar Yojana (PMRY) conducted by the Institute of Applied Manpower Research (IAMR), New Delhi during 2001 for the years 1995-96; 1996-97 and 1997-98 covering 16,397 beneficiaries in five States, namely, Andhra Pradesh, Assam, Manipur, Punjab and Rajasthan, assets have been created in 89.7% of the cases disbursed. The State-wise details of percentage of units not started/ found closed as per the Evaluation Staudy are enclosed as Annexure-`I`, while the reasons for not starting the ventures and closure of units are enclosed as Annexure-`II`.

(c): Several measures have been initiated by the Government of India and the Reserve Bank of India to prevent misutilisation of funds under the PMRY which include, backend disbursement of subsidy by the banks; disbursement of loan amount by way of third party cheque to the supplier of goods rather than to the borrower directly, strictly dealing the cases of mis-appropriation of funds, etc.